

RHETORIC VS. REALITY

President Bush's Misstatements on Bipartisan SCHIP Legislation

Today, House and Senate negotiators finalized a bipartisan SCHIP bill that will be considered by the House and Senate next week. This bipartisan bill reauthorizes and strengthens the successful and popular State Children's Health Insurance Program (SCHIP) for five years – providing health insurance for 10 million children. The bill does not expand SCHIP eligibility and is fully paid for.

President Bush has threatened to veto this critical, bipartisan legislation. Following is a comparison of the rhetoric the President used about this bipartisan bill and the reality about the bill.

BUSH STATEMENT: “[Democratic] Members of Congress are putting health coverage for poor children at risk so they can score political points in Washington.”

REALITY: The SCHIP bill coming to the floor is a bipartisan bill – which has been written in part by Republicans Senators Chuck Grassley and Orrin Hatch and which has the support of 18 Republican Senators.

The SCHIP bill has broad, bipartisan support:

- This strong reauthorization of SCHIP is supported by 18 Republican Senators, including Sens. Chuck Grassley (R-IA), Orrin Hatch (R-UT), Pat Roberts (R-KS), Kit Bond (R-MO), and Kay Bailey Hutchison (R-TX). The Senate passed its version in August with a veto-proof margin – with 68 Senators voting in favor.
- This strong reauthorization of SCHIP is supported by 43 Governors, 16 of them Republican, including Republican Governors Arnold Schwarzenegger (R-CA), Tim Pawlenty (R-MN), Sonny Perdue (R-GA), Jon Huntsman (R-UT), and Ernie Fletcher (R-KY).
- This strong reauthorization of SCHIP is supported by a broad range of more than 270 organizations, representing millions of Americans, including such diverse groups as the American Medical Association, America's Health Insurance Plans, Healthcare Leadership Council, AARP, Families USA, and Catholic Charities.

Republican Senator Grassley has pleaded with President Bush not to veto this bipartisan bill.

- “A frustrated Sen. Charles Grassley said today that he personally pleaded with President Bush to accept a congressional proposal on children's health insurance.” (Des Moines Register, 9/20/07)
- “Grassley said that the Administration had failed to work with Congress to forge an agreement that both sides could accept.” (Des Moines Register, 9/20/07)

BUSH STATEMENT: “The SCHIP plan is an incremental step toward the goal of government-run health care for every American.”

REALITY #1: Children in SCHIP are not in “government-run” health care. SCHIP uses private doctors and private health care plans.

- “Government doctors” and “government health plans” do not deliver the services in SCHIP. It is private doctors and private health plans that do, as under private insurance.
- Most children enrolled in SCHIP receive their health care coverage through private health care plans that contract with their states.
- Children enrolled in a private health plan financed through SCHIP are no more in “government-run” health care than federal employees enrolled in a private health plan financed through the Federal Employees Health Benefits Program (FEHBP).

REALITY #2: Once again, the SCHIP bill is a bipartisan bill, which has been written in part by Republican Senators Chuck Grassley and Orrin Hatch, strong supporters of free enterprise and the private sector.

Republican Senators Grassley and Hatch are conservative Republicans, who are strong believers in free enterprise and the private sector.

- Here is how Sen. Grassley has expressed why he supports this bill: “The State Children’s Health Insurance Program... is a targeted program designed to provide affordable health coverage for low-income children. This compromise bill maintains the focus on low-income uninsured children and adds coverage for millions of children.”
- Here is how Sen. Hatch has expressed why he supports this bill: “This bill continues one of the government’s most effective programs that has helped millions of children receive the care they desperately need. Covering these children is worth every cent.”

BUSH STATEMENT: “Their proposal would result in taking a program meant to help poor children and turn it into one that covers children in households with incomes of up to \$83,000 a year.”

REALITY: This bill does nothing to expand eligibility for SCHIP. The focus of this bill is on expanding health care coverage for low-income children who have no health insurance today.

- Contrary to the President’s assertion, this bill is designed to target specifically the lowest-income uninsured American children for health care coverage.
- The bill does not call for SCHIP coverage for children in families at higher income levels. Instead, it reduces federal matching funds for future coverage of children at higher income levels, and provides incentives to cover the lowest-income children instead.
- Republican Senator Grassley himself has stated that the President was wrong in this assertion. “[Grassley] said in an interview that the President was incorrect during the press conference when he said the agreement would offer government help to children living in households with incomes up to \$83,000 a year.” [Des Moines Register, 9/20/07]

- The SCHIP program focuses virtually all of its resources on children in the poorest of working families – fewer than 1 in 10 children covered under SCHIP lives in a family of four earning more than \$41,000 a year. This is how the program will remain under the bill.

BUSH STATEMENT: “The proposal would move millions of American children who now have private health insurance into government-run health care.”

REALITY: The main impact of this bill would be in extending coverage to low-income children who would otherwise be uninsured.

- When the nonpartisan CBO analyzed the Senate-passed bill, which is similar to the final bill, it found that the vast majority of the children who would receive coverage under the bill are low-income children who currently do not have insurance. CBO determined that 4 million children who do not have insurance now would be covered under this bill.
- Jonathan Gruber, the noted health economist at MIT, states, “Insurance expansions like SCHIP remain the most cost-effective means of expanding health insurance coverage.” Gruber projects that there would be only a minimal amount of substitution of private insurance if SCHIP enrollment is expanded.

BUSH STATEMENT: “I have strongly supported SCHIP as a governor, and I have done so as President. My 2008 budget proposed to increase SCHIP funding by \$5 billion over five years. It’s a 20 percent increase.”

REALITY #1: According to the nonpartisan Congressional Budget Office, the President’s budget for SCHIP would result in 840,000 children currently enrolled in SCHIP losing their coverage.

- According to the nonpartisan CBO, due to rising health care costs, the President’s increase of \$5 billion for SCHIP over five years fails to cover the costs of simply maintaining the current SCHIP enrollment of children of 6 million.
- Indeed, according to CBO, over the next five years, the President’s budget so underfunds SCHIP that it would result in 840,000 children losing their SCHIP coverage.
- The number of uninsured children jumped by 600,000 million in 2006 – up to nearly 8.7 million children. And yet the Bush budget does nothing to reduce the number of uninsured children.

REALITY #2: The President’s veto would kill a strong bipartisan compromise on SCHIP that is supported by Republicans and Democrats at all levels of government.